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Stampede
International
Resources
Ltd.

Annual Report
Year Ended
March 31, 1976

Officers and Directors

Directors

Earl A. Glick
Norman Glick
Dr. Daniel Glick
Allan H. Ainsworth
Olga E. Smith

Executive Officers

Earl A. Glick *Chairman of the Board*
Norman Glick *President*
Olga E. Smith *Secretary-Treasurer*

Exchange Listing

Vancouver Stock Exchange

Registrar

Guaranty Trust Company of Canada,
Vancouver

Transfer Agents

Guaranty Trust Company of Canada,
Vancouver and Toronto

Banks

Royal Bank of Canada, Vancouver, B.C.
and Calgary, Alberta
Security Pacific National Bank,
Los Angeles, California, U.S.A.

Auditors

Collins Barrow,
Vancouver

Solicitors

Worrall, Page and Company, Vancouver
Stitt, Baker & McKenzie, Toronto

Offices

Head Office:

Suite 1840, 777 Hornby St.
Vancouver, B.C.

Executive Office:

185 Davenport Road
Toronto, Ontario M5R 1J1

Directors Report to the Shareholders

This report is presented on a consolidated basis for the first time because Stampede International Resources holds now 50.65% of the outstanding shares in Northwest Ventures Ltd. In presenting the statements on this basis it is hoped that shareholders will have a better opportunity to assess the depth and scope of the Stampede Group of companies, their activities and the financial resources available to them.

On this consolidated basis, working capital is about \$4 million in addition to which the Company holds \$1.1 million of securities at recent market prices. This financial position permits your Company to explore new opportunities from a position of financial strength. Its natural gas production income base in Canada and the United States reinforces this strength continually. The most important income source is the Strachan-Ricinus field in Alberta.

Information on the structure of the Stampede Group and brief reviews of activities of some of the Company's interests follow:

Major developments in the year under review included:

Acquisition of Spiral Tubing Corp., a U.S. Company with a patented technology designed to conserve energy. The modest investment involved provides new opportunities for your Company in the field of energy conservation and sophisticated technology. From small beginnings at the time of acquisition, Spiral Tubing sales have risen rapidly because of growing industrial demand for improved efficient heat transfer as well as a sustained sales effort. The New Britain, Connecticut operations are profitable.

The launching of the first consumer product applying Explosafe technology — Vulcan Industrial Packaging Ltd., our associate in Explosafe development, introduced portable containers in one, two and one-half and five gallon sizes recently for sales through major Canadian retailing establishments.

Northwest Ventures acquired an interest in Universal Container Corp., a United States company listed on the American Stock Exchange whose results are improving steadily following a period of difficult operations.

In Texas, two gas wells were drilled. The Jim Wells county well has been completed and placed in production. A well in the Tom Walsh field was successful in finding natural gas and is being prepared for production. The Tom Walsh well is a joint venture with Northwestern Ventures. A second well is to be drilled by the joint venture.

OUTLOOK

Rising prices for natural gas continue to make your Company's gas interests in Canada and the United States more valuable at each successive price increase. Income from this source increased in the past two years and is expected to increase again this year.

Stampede has been seeking avenues for expansion of exploration and development of its American oil and gas properties.

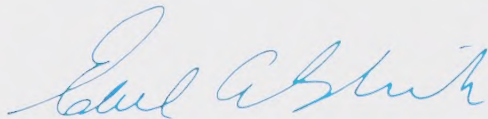
Of some significance in the coming year is the 1.05% gross carried interest in six blocks comprising 307,408 acres of offshore permits in the Beaufort Sea, Canadian arctic. Dome Petroleum intends to start an offshore drilling program this year at a site some 12 miles north of one of the groups in which your Company has an interest.

As part of the continuing policy of participation in natural resource industry developments in the energy area, Stampede has joined with associated companies in uranium exploration ventures.

During the fiscal year ended March 31, 1976, the capital expenditures amounted on a consolidated basis, to \$945,127. No capital disposition of a material nature was made during the year, although, of course, certain changes were made in the investment portfolio. Total wages, salaries and benefits paid to employees by Stampede International Resources Ltd. and Stampede Energy Corp., a wholly-owned U.S. subsidiary, amount to \$109,762.50 during the fiscal year ended March 31, 1976 as compared with \$110,750.00, during the year ended March 31, 1975. As of March 31, 1976, there were 4 of such employees. As the financial operations of Northwest Ventures were only consolidated for for the last two months of the fiscal year and the acquisition of Spiral Tubing Corporation only became effective on the last day of the fiscal year, employee costs incurred by those companies cannot properly be included for purposes of comparison.

The financial and operating outlook for the Stampede Group of companies is most promising for sustained growth.

On behalf of the Board of Directors



Earl A. Glick
Chairman

Review of Activities and Interest

NATURAL GAS

In Canada, gross revenue continues to increase with improving prices the key. Natural gas prices were recently increased in Canada and a further rise is scheduled to become effective in January 1977. The effect of these two increases is to lift the price of natural gas in Toronto to \$1.50 per MCF from \$1.25 per MCF. While governments have been taking most of the price increases, there is a growing recognition of the need to permit more cash flow through to the oil and gas industry in order to encourage exploration and development. Our consultants estimate approximately a 10% increase in cash flow in the current calendar year from the working and royalty interests held in the Strachan-Ricinus field. Also in Alberta, your Company is joining in a seismic survey on approximately 11,520 acres of lease in the Blackstone River area. This area is about three miles northeast of the Nordegg gas field which is awaiting markets.

In the U.S., the potential value of your Company's properties is enhanced as a result of demand for natural gas and the drilling undertaken in the past year which produced two successful wells. These wells have focussed new attention on the possibility of an accelerated program of drilling acreage interests held by Stampede Energy, our wholly-owned U.S. subsidiary. Discussions have been underway with financial sources which have expressed interest in participating in a major drilling program. Stampede Energy has varying interests in some 24,000 acres in Texas much of which is considered to be in known gas areas.

EXPLOSAFE

Explosafe development is moving ahead at an accelerated pace. It was only three years ago that Stampede first became interested in the Explosafe method of preventing explosion of volatile fluids and gases. Extensive development work has been done since with high-speed production machinery designed and built to produce the cellular

aluminum-alloy material. Research into applications and the needs of individual industries has progressed to the point that knowledge of Explosafe technology is now international. Thus the essential groundwork has been laid for future marketing.

Vulcan Industrial Packaging Ltd., the Canadian licensee and joint venture partner in furthering Explosafe outside Canada, has started mass production of jerry cans for a broad public market where Explosafe can protect against the hazards of explosion and fire. Storage of gasoline for power boats and domestic usage have an immediate economic potential in themselves.

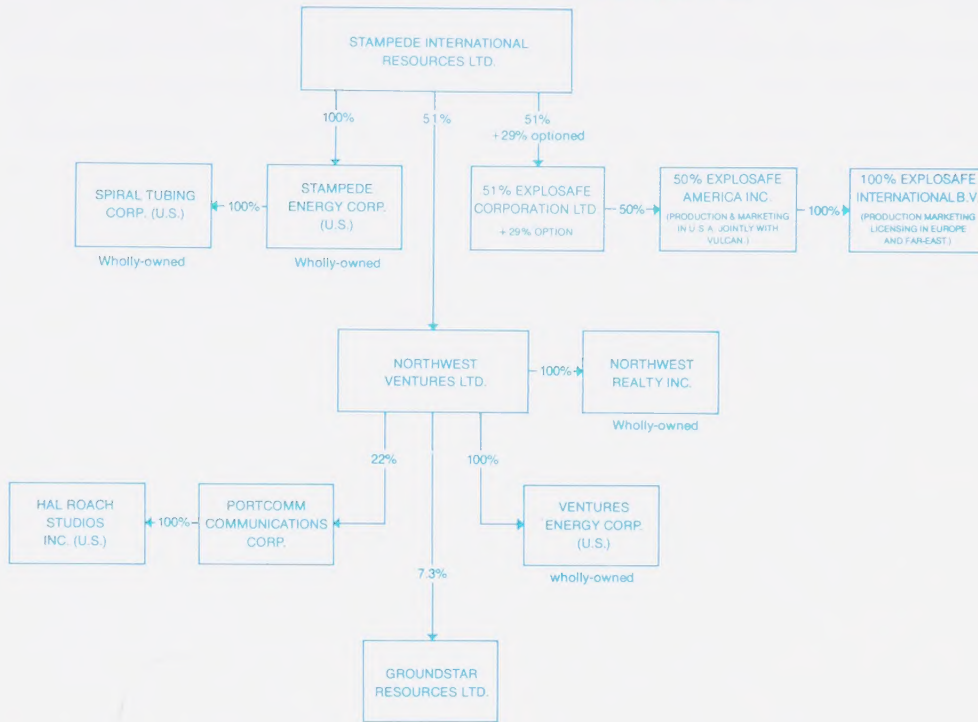
Expanded Metal Company, a well known British company which is licensed to produce and market Explosafe for the United Kingdom, Germany, Holland and Belgium, is planning to install patented equipment for production of the material. That Company is encouraged by potential military applications which have undergone preliminary testing.

Discussions are underway with corporations in other countries interested in licensing arrangements. Canadian and United States government support has permitted research work for Explosafe use in military aircraft.

One of the possible applications of Explosafe under consideration involves a pooling of knowledge and technology with Spiral Tubing in working towards use of solar energy. A preliminary research and engineering evaluation is underway since both Explosafe and Spiral Tubing technologies are concerned with heat transfer.

Stampede's participation in the Explosafe development comes through its 51% ownership of Explosafe Corporation. Your Company has an option to acquire an additional 29% of Explosafe Corp. Explosafe Corp. and Vulcan Industrial Packaging Limited each own 50% of Explosafe America which is undertaking development of the U.S. market. Explosafe America, in turn, has set up a wholly-owned subsidiary,

The Stampede Group of Companies



Explosafe International, which is responsible for Europe and the Far East.

SPIRAL TUBING CORPORATION

This wholly-owned subsidiary is developing rapidly in its introduction of patented technology and equipment which imparts a spiral to metal tubes. As American industry recovers from the recent recession, increasing emphasis is being placed on the efficient use of energy in which Spiral Tubing can play an important role.

Spiral Tubing's technology improves the transference of heat through induction of a turbulent mixing action to liquids and gases and by exposing a greater surface area for a given length of pipe. In suitable industrial applications, the improvement in efficiency of heat transfer in the spiral tube can range from two to four times the rate of heat transfer of a conventional smooth pipe.

Spiral Tubing has a plant at New Britain, Connecticut, where production, research and development is undertaken. Sales tend to be on a custom basis since each customer has special requirements. Spiral Tubing staff works closely with the customer in developing the most suitable length, shape and type of pipe.

For some time the Company has been working closely with Shiley Laboratories, a supplier of sophisticated medical equipment in developing special equipment for use in open-heart surgery. The first order was received recently for the production of a coil of Turbotec tubing which forms the heat exchanger in Shiley Laboratories' disposable bubble-type-oxygenator for use in heart-lung surgery.

Although sales are still modest, the combination of general economic and industrial recovery with new applications of Spiral Tubing technology has led to a large percentage increase in sales this year. Current operations are profitable in contrast with the operating losses sustained in previous years and the need for plant expansion may soon have to be given consideration.

With a growing list of major corporations as customers and a steady broadening of applications of this specially-shaped tubing, this recently acquired company promises to become an increasingly important asset of the Stampede Group.

Spiral Tubing is currently being employed in:

Coffee brewing equipment	Tube-in-tube condensers
Domestic water heaters	Tube-in-tube aftercoolers and intercoolers
Store displays	Plumbing connectors
Automotive transmission coolers	Aircraft cabin heaters
Solar collectors	Scuba air heat generators
Diesel and motorcycle mufflers	Electric motor coolers
Blood oxygenators	Lube and hydraulic oil coolers
Laundromat heat-recovery systems	

NORTHWEST VENTURES LTD.

Stampede International Resources holds over 50.65% of the outstanding shares of this Company. Recent market value of these shares was \$1.4 million.

Northwest Ventures is primarily an investment company with interests in Portcomm Communications and Groundstar Resources, as well as in Universal Container which Northwest acquired subsequent to the year end. Northwest Ventures has real estate interests and is participating modestly in oil, gas and uranium exploration programs. Northwest Ventures also owns 535,600 shares of Stampede.

Portcomm Communications and its wholly-owned subsidiary, Hal Roach Studios Inc., is active in film rentals, primarily for television. Hal Roach has a film library of some 1,500 titles, notably Laurel and Hardy films. The Company has also been active in motion picture production with other members of the Stampede Group.

Groundstar Resources is an active mineral exploration Company currently concentrating its activities on uranium properties. Northwest Ventures and Stampede are financing the current programs on a joint venture basis with Groundstar. These projects include exploration of four contiguous claim blocks of approximately 15,700 acres in the Key Lake area of northern Saskatchewan where several major uranium indications have been reported. A second project is in the Lac du Bonnet area of Manitoba. The claims to be explored cover a six mile stretch of radioactive showings. The government of Manitoba intends to participate to the extent of 50% in the first phase of an exploration program which is under way.

Northwest Ventures holds some 201,700 shares of Universal Container and has reported its intention to acquire a larger interest. Universal Container has eleven operating companies in the United States and one in the United Kingdom and is active in several industries. Principal products include containers, various plastic products and industrial chemical cleaners.

Consolidated Balance Sheet, March 31, 1976

ASSETS	1976	1975
Current assets		
Cash	\$ 636,986	\$ 90,175
Term deposits	2,285,000	1,020,000
Accounts receivable	611,362	188,923
Deposits and prepaid expenses	53,683	23,450
Note receivable	786,290	—
	<u>4,373,321</u>	<u>1,322,548</u>
Investments (note 2)	903,427	2,494,636
Motion pictures, at unamortized cost	159,994	56,188
Property and equipment (note 4)	2,605,847	2,647,324
Patents and development costs (note 5)	532,131	83,091
Notes receivable – 9% due 1977	329,707	—
Other assets	137,014	21,946
	<u>\$9,041,441</u>	<u>\$6,625,733</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued charges	\$ 312,129	\$ 88,795
Current portion of long term debt	84,159	—
Income taxes payable	—	53,000
	<u>396,288</u>	<u>141,795</u>
Long term debt (note 7)	250,036	—
Deferred income taxes	3,500	13,222
Minority interest	2,390,628	4,900
	<u>3,040,452</u>	<u>159,917</u>
SHAREHOLDERS' EQUITY		
Share capital (note 8)	5,693,256	5,693,256
Retained earnings	1,044,065	940,289
	<u>6,737,321</u>	<u>6,633,545</u>
Deduct: Shares held by the company and a subsidiary (note 8)	(736,322)	(167,729)
	<u>6,000,989</u>	<u>6,465,816</u>
	<u>\$9,041,441</u>	<u>\$6,625,733</u>

On behalf of the Board,

Norman Glick, Director

Olga E. Smith, Director

See accompanying notes to consolidated financial statements.

Consolidated Statement of Earnings and Retained Earnings for the Year Ended March 31, 1976

	1976	1975
Income		
Oil and gas		
operating	\$ 248,155	\$ 438,792
participation	723,658	408,561
royalty	375,578	230,808
Motion pictures	16,420	62,747
Equity in loss of affiliate	(94,928)	(44,838)
Interest and other	308,540	23,063
	<u>1,577,423</u>	<u>1,119,133</u>
Expenses		
Field operation and supervision	52,499	118,652
Oil and gas participation costs	60,736	44,436
Depletion, depreciation and amortization	372,878	375,812
Write down of oil, gas and mineral properties	296,825	204,294
General and administrative	514,804	323,629
Interest	11,917	256,512
Foreign exchange loss (gain)	50,803	(16,001)
	<u>1,360,462</u>	<u>1,307,334</u>
Earnings (loss) before undernoted items	<u>216,961</u>	<u>(188,201)</u>
Provision for income taxes (note 9)	331,278	295,722
Minority interest	69,907	-
	<u>401,185</u>	<u>295,722</u>
Loss before extraordinary items	(184,224)	(483,923)
Extraordinary items (note 11)	288,000	4,174,452
Net earnings for the year	<u>103,776</u>	<u>3,690,529</u>
Retained earnings (deficit), beginning of the year	940,289	(2,750,240)
Retained earnings, end of the year	<u>\$1,044,065</u>	<u>\$ 940,289</u>

See accompanying notes to consolidated financial statements.

Consolidated Statement of Changes in Financial Position for the Year Ended March 31, 1976

	1976	1975
Financial resources generated		
Working capital from operations		
Loss before extraordinary items	\$ (184,244)	\$ (483,923)
Add:		
Items not requiring current funds		
Depletion, depreciation and amortization	372,878	375,812
Write down of oil, gas and mineral properties	296,825	204,294
Provision for income taxes less amounts currently due	288,000	245,000
Equity in loss of affiliate	94,928	44,838
Minority interest	69,907	-
Other	(1,613)	6,544
	<u>936,701</u>	<u>392,565</u>
Proceeds on disposal of property and equipment	166,524	-
Proceeds of sale of investment	-	4,045,286
Working capital arising on consolidation of Northwest Ventures Ltd. and subsidiaries	2,704,682	-
	<u>3,807,907</u>	<u>4,437,851</u>
 Financial resources applied		
Property and equipment acquisitions and development	462,337	350,330
Principal reduction of long term debt	-	1,179,480
Acquisition of Spiral Tubing Corporation, representing non current assets net of long term debt	195,791	-
Patent acquisition and development	75,518	35,003
Purchase of investments	25,763	2,669
Purchase of treasury shares	103,718	65,281
Cash surrender value of life insurance	66,500	7,500
Motion picture investment	82,000	-
	<u>1,011,627</u>	<u>1,640,263</u>
Increase in working capital	2,796,280	2,797,588
Working capital (deficiency), beginning of the year	1,180,753	(1,616,835)
Working capital, end of the year	<u>\$3,977,033</u>	<u>\$1,180,753</u>

See accompanying notes to consolidated financial statements.

Notes to the Consolidated Financial Statements, March 31, 1976

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

The consolidated financial statements include the accounts of Stampede International Resources Ltd., and all of its subsidiaries:

Stampede Holdings Ltd.
Stampede Energy Corp. (U.S. Company)
Spiral Tubing Corporation (U.S. Company)
Explosafe Corporation Ltd. (51% owned)
Northwest Ventures Ltd. (51% owned) and its subsidiaries:

Northwest Realty Inc.
Ventures Energy Corp. (U.S. Company)
Hemco Mines Limited

Effective March 31, 1976, Stampede Energy Corp. acquired all the issued shares of Spiral Tubing Corporation together with certain loans. The excess of the cost of the shares over the recorded net asset value of the subsidiary has been assigned to patent and development costs (see note 5).

During the year, Northwest Ventures Ltd. cancelled 78,400 of its shares which had previously been held in trust for its benefit. A further reduction in the shareholders equity in Northwest Ventures Ltd. resulted from its purchase for cancellation of 190,500 of its issued shares. Accordingly, the proportionate investment of Stampede International Resources Ltd. in Northwest Ventures Ltd. has increased to more than 50% of the issued share capital, exclusive of the 190,500 shares. The accounts of Northwest and its subsidiaries have been consolidated from January 31, 1976.

b) Translation of foreign currencies

The statements of the U.S. subsidiaries have been translated into Canadian dollars as follows: assets and liabilities, current and long term, at the rate of exchange as at the balance sheet date; revenue and expenses at the average rate of exchange for the period. Exchange gains or losses resulting on translation are reflected in the consolidated statement of earnings and retained earnings.

c) Motion pictures

It is the company's policy to capitalize all costs of its investments in motion pictures as incurred and to amortize these costs on the flow of income method based on distribution revenues.

d) Property and equipment

The company follows the full cost method of accounting whereby all costs of acquiring, exploring for and developing resource properties are capitalized. Proceeds received from the disposal of properties are credited to the relevant cost centres. However, the carrying values are limited to the approximate fair market value of the estimated proven reserves.

e) Depletion and depreciation

Capitalized costs of resource properties and the company's interest in a gas plant are charged against earnings on a unit of production method based on estimated proven reserves of oil, gas and other saleable products. Other properties and equipment are depreciated on straight line or declining balance methods over their estimated lives.

f) Comparative figures

The 1975 figures have been reclassified where applicable to conform with the presentation used in the current year.

2. INVESTMENTS

The consolidated balance sheet item "investments" is comprised of:

	1976	1975
Northwest Ventures Ltd. 1,750,400 shares, at cost plus equity in earnings since acquisition	\$ -	\$2,487,264
Marketable securities, at cost (market value \$614,614; 1975 - \$6,222)	657,667	7,372
Investment in other companies, at cost (market value \$425,970)	245,760	-
	<u>\$903,427</u>	<u>\$2,494,636</u>

3. DEFERRED CONSULTING FEES

Explosafe Corporation Ltd. has agreed to pay consulting fees to an inventor shareholder in the amount of 10% of its net profits each year. Such amount is not to exceed \$354,000 in aggregate, subject however to minimum payments of \$72,000. To date, \$27,000 has been advanced in respect of future profits and is reflected in the consolidated balance sheet item "other assets".

4. PROPERTY AND EQUIPMENT

The consolidated balance sheet item "property and equipment" is comprised of:

	1976		1975	
	Lower of cost or fair market value	Accumulated depletion and depreciation	Net	Net
Oil and gas properties and production equipment	\$3,329,391	\$1,067,079	\$2,262,312	\$2,547,629
Mineral properties	89,169	19,269	69,900	74,730
	<u>3,418,560</u>	<u>1,086,348</u>	<u>2,332,212</u>	<u>2,622,359</u>
Land	48,864	-	48,864	-
Building	178,279	34,081	144,198	-
Other	134,217	53,644	80,573	24,965
	<u>\$3,779,920</u>	<u>\$1,174,073</u>	<u>\$2,605,847</u>	<u>\$2,647,324</u>

5. PATENT AND DEVELOPMENT COSTS

The consolidated balance sheet item "patent and development costs" is comprised of:

	1976	1975
Excess of cost of shares of Spiral Tubing Corporation over recorded net asset values	\$411,522	\$ -
Explosafe Corporation Ltd. - patent and development costs	120,609	83,091
	<u>\$532,131</u>	<u>\$ 83,091</u>

The company is investigating the economic and legal lives of patents owned by Spiral Tubing Corporation for the purpose of establishing an amortization policy in the coming year.

Explosafe Corporation Ltd. was formed in 1973 to further develop and market an internationally patented device, "Explosafe", that eliminates the hazard of gaseous and inflammable material explosions. All costs incurred by the subsidiary for the purpose of acquiring, testing and marketing the Explosafe device have been capitalized. This procedure will continue until such time as commercial production of the Explosafe containers commences.

6. INVESTMENT IN CORPORATE JOINT VENTURE

Explosafe Corporation Ltd. is party to a joint venture agreement to develop, manufacture and licence the Explosafe device in all countries except Canada. Pursuant to the terms of this agreement Explosafe Corporation Ltd. contributed to the joint venture, during the year, all of its rights, title and interest in all patents, except its Canadian patents, for the Explosafe device in return for 50% of the issued share capital (20,000 common

shares) of the corporate joint venture, Explosafe America Inc. The subsidiary's equity in the joint venture is reflected in the consolidated balance sheet item "other assets".

7. LONG TERM DEBT

The consolidated balance sheet item "long term debt" is comprised of:

Notes payable - principal repayable in semi-annual instalments of \$31,600, 8% interest payable quarterly	\$ 334,195	\$ -
Less: Portion due within one year	84,159	-
	<u>\$ 250,036</u>	<u>\$ -</u>

8. SHARE CAPITAL

	1976	1975
Authorized 15,000,000 common shares, no par value		
Issued and fully paid 6,201,762 common shares	\$5,693,256	\$5,693,256

During the current year the company acquired on the open market 106,000 of its shares at a cost of \$103,718. In addition, prior to the date of consolidation, Northwest Ventures Ltd. had acquired 500,600 shares of the company on the open market for \$464,885.

9. INCOME TAXES

Some of the consolidated companies incurred losses in 1976 and in prior years but those losses cannot be applied, for tax purposes, to offset the earnings of other consolidated companies. Accordingly the effective tax rate for 1975 and 1976 appears higher than would have been the case if the operations of only one unconsolidated company had been involved.

The components of the provision for income taxes are:

	1976	1975
Currently payable	\$ 53,000	\$ 53,000
Deferred	(9,722)	(2,278)
Charge equivalent	288,000	245,000
	<u>\$331,278</u>	<u>\$295,722</u>

The charge equivalent represents the provision for income taxes that would have been required in the absence of a carry forward, for tax purposes, of prior years exploration and other costs. The benefit arising from application of the carry forward has been reflected as an extraordinary item (see note 11).

As a result of changes in the Canadian Income Tax Act and an adjustment of prior years exploration and other costs, 1975 comparative figures have been restated to increase the provision for income taxes (charge equivalent) by \$245,000. An offsetting restatement of

extraordinary items has been made and, therefore, net earnings for 1975 is unchanged from the amount previously reported.

Certain companies have accumulated losses for tax purposes of approximately \$963,000 and unapplied exploration and other costs of approximately \$1,000,000. No recognition has been given in the accounts to the potential tax savings which may result from the carry forward of these amounts. The right to claim available tax losses expires in various taxation years up to 1981.

10. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Remuneration paid during the year to directors and senior officers, as defined under the Companies Act of British Columbia, amounted to \$147,295; (1975 – \$136,360).

11. EXTRAORDINARY ITEMS

The consolidated statement of earnings and retained earnings item "extraordinary items" is comprised of:

	1976	1975
Income tax reduction arising from the application of prior years exploration and other costs	\$288,000	\$ 245,000
Gain on sale of investment in Valley Copper Mines Limited (N.P.L.)	–	3,929,452
	<u>\$288,000</u>	<u>\$4,174,452</u>

12. EARNINGS PER SHARE

	1976	1975
Loss per share before extraordinary items	(3.1¢)	(7.8¢)
Net earnings per share	<u>1.7¢</u>	<u>59.8¢</u>

Earnings (loss) per share was calculated using a weighted average number of shares outstanding after giving effect to shares held by the company and a subsidiary.

13. CASH SURRENDER VALUE OF LIFE INSURANCE

The company has insured the lives of two directors in the principal sum of \$2,500,000, with the company as beneficiary. Annual premiums for the policies aggregate \$111,000. The cash surrender value of these policies at March 31, 1976 was \$87,779 and is reflected in the consolidated balance sheet item "other assets".

14. CONTINGENT LIABILITIES

The companies are defendants in certain litigation which, in the opinion of management, is either without merit or would not result in any material liability not provided for in the accounts.

15. ANTI-INFLATION LEGISLATION

The company is subject to the Anti-Inflation Act which provides, as from October 14, 1975, for the restraint of dividends.

AUDITORS' REPORT

To the Shareholders of
Stampede International Resources Ltd.

We have examined the consolidated balance sheet of Stampede International Resources Ltd. and its subsidiaries as at March 31, 1976 and the consolidated statements of earnings and retained earnings and changes in financial position for the year then ended. Our examination of the financial statements of Stampede International Resources Ltd. and those subsidiaries of which we are the auditors included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the report of the auditors who have examined the financial statements of the other subsidiaries.

In our opinion, subject to the ultimate realization of the investment in patents and development costs described in note 5 to the consolidated financial statements, these consolidated financial statements present fairly the financial position of the companies as at March 31, 1976 and the results of their operations and the changes in their financial position for the year then ended, after due provision for minority interests in subsidiaries, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Collins Barrow
Chartered Accountants
Vancouver, Canada
July 16, 1976



Stampede
International
Resources
Ltd.

Annual Report
Year Ended
March 31, 1976